

Message Text

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67

ORIGIN ARA-10

INFO OCT-01 ISO-00 EB-07 L-03 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 SAM-01

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 PA-01

PRS-01 SEC-01 FTC-01 /104 R

DRAFTED BY ARA/NC:FJDEVINE

APPROVED BY EB/IFD/OIA - MR. SMITH

ARA/NC/V - MR. SONANDRES

EB/IFD/OIA - MR. STEBBING

L/ARA - MR. KOZAK

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R 202050Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

LIMITED OFFICIAL USE STATE 179154

E.O. 11652: N/A

TAGS: EINV PFOR PINT VE

SUBJECT: OCCIDENTAL PETROLEUM BRIBERY CASE

REF: CARACAS 6598

1. BICAMERAL COMMITTEE OF CONGRESS AFTER INVESTIGATING
OCCIDENTAL BRIBERY CASE RECOMMENDS GOV NOT COMPENSATE
OCCIDENTAL FOR ITS NATIONALIZED PROPERTIES (CARACAS 6411).
ON JUNE 10 PRESIDENT PEREZ INDICATED VENEZUELAN COURTS
WILL MAKE FINAL DETERMINATION ON THIS POINT.

2. IN PARA 1 CARACAS 4543 EMBASSY COMMENTED "AT THE ROOT
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OF THIS CASE IS THE ALLEGATION THAT OCCIDENTAL OBTAINED

ITS SERVICE CONTRACT BY BRIBING PERSONS WHO COULD INFLUENCE
THE AWARDED OF THAT CONTRACT." LATER IN THAT SAME
PARAGRAPH, EMBASSY SAYS "SINCE VENEZUELAN LAW PROVIDES
FOR THE SETTING ASIDE OF CONTRACTS OBTAINED BY ILLEGAL
MEANS...."

3. WITHOUT APPROACHING GOV OR OTHERWISE RELATING ANY
INQUIRY TO OCCIDENTAL CASE, PLEASE ADVISE DEPARTMENT EXACT
BASIS FOR ABOVE STATEMENTS AS WELL AS ANY OTHER PROVISIONS
OF VENEZUELAN LAW WHICH WOULD TEND EXPLICITLY TO DIMINISH
VALUE, DEFENSE OR COMPENSABILITY OF PROPERTIES OR RIGHTS

OBTAINED THROUGH MEANS SUBSEQUENTLY DETERMINED TO HAVE BEEN
FRAUDULENT. DOES VENEZUELAN LAW MAKE PROVISION FOR
AVOIDING "UNJUST ENRICHMENT" OF DEFRAUDED PARTY IN SUCH
CASES (I.E. EVEN IF THE CONTRACT WERE OBTAINED THROUGH
ILLEGAL MEANS, WOULD GOV NOT BE OBLIGATED TO COMPENSATE
OCCIDENTAL FOR VALUE OF IMPROVEMENTS MADE TO PROPERTY?)
KISSINGER

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